

SUPPLEMENTAL LEASE NO. 7

PARKING AUTHORITY OF RIVER CITY INC.

AND

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT

RELATING TO

PARKING AUTHORITY OF RIVER CITY INC.
FIRST MORTGAGE REVENUE BONDS, SERIES 2010A

AND

FIRST MORTGAGE REVENUE BONDS, SERIES 2010B
(FEDERALLY TAXABLE - BUILD AMERICA BONDS – DIRECT PAYMENT)

DATED AS OF _____, 2010

SUPPLEMENTAL LEASE NO. 7

THIS SUPPLEMENTAL LEASE NO. 7 is made and entered into as of _____, 2010, by and between PARKING AUTHORITY OF RIVER CITY INC. ("PARC" or "Issuer"), as lessor, a Kentucky nonstock, nonprofit corporation, with an address and place of business of and at 517 South 4th Street, Louisville, Jefferson County, Kentucky 40202, Attention: Executive Director, and the LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (the "Louisville Metro" or "the City"), as lessee, a consolidated government of the Commonwealth of Kentucky, with an address of and at 611 West Jefferson Street, Louisville, Jefferson County, Kentucky 40202, Attention: Mayor.

RECITALS

A. PARC is a duly organized and existing under Section 58.180 and Sections 273.161 to 273.390, inclusive, of the Kentucky Revised Statutes, as amended ("KRS") acting as the agency and instrumentality and the constituted authority of Louisville Metro in the acquisition and financing of public projects, including public parking and garage facilities located in Louisville Metro and intended for governmental and public purposes, including specifically the purposes of creating and increasing the public recreational, cultural and related business facilities of Louisville Metro, and the creation, improvement, revitalization, renewal or modernization of Louisville Metro's central business or shopping community, all as contemplated by KRS 58.010(1)(b).

B. PARC is authorized under KRS Chapter 58 (the "Act"), and particularly KRS 58.180, upon authorization and direction of Louisville Metro, to issue its revenue bonds and/or revenue refunding bonds on behalf of Louisville Metro for the aforementioned purposes, and may pledge for the amortization of such bonds all revenues derived from the operation of such public projects, including specifically all revenues derived from the leasing of such public projects directly to Louisville Metro, provided that such bonds shall be payable solely from the revenues derived from the public projects and shall not constitute an indebtedness of the Issuer, Louisville Metro or the Commonwealth of Kentucky (the "Commonwealth") within the meaning of the Constitution and laws of the Commonwealth.

C. On November 26, 1985, the City enacted an Ordinance authorizing and directing PARC to issue revenue bonds, revenue refunding bonds and notes in accordance with the provisions of Chapter 58 of the Kentucky Revised Statutes, from time to time, as and when needed, for the purpose of financing and refinancing parking facilities of the City, in furtherance of the public purposes of the Act.

D. PARC and The Bank of New York Mellon Trust Company, N.A., (successor to JPMorgan Trust Company, National Association, successor to Bank One, Kentucky, NA) (the "Trustee") have heretofore entered into a Mortgage and Trust Indenture dated as of December 1, 1985 (the "1985 Indenture"), of record in Mortgage Book 2346, Page 536, in the office of the County Clerk of Jefferson County, Kentucky, which provides for the issuance and security of The City of Louisville Parking Authority of River City (PARC), Inc. First Mortgage Revenue Refunding and Improvement Bonds, Series of December 1, 1985 (the "Series 1985 Bonds,"

which Series 1985 Bonds have been fully paid and discharged in accordance with their terms); the Supplemental Mortgage and Trust Indenture No. 1 dated as of April 1, 1989 (the “1989 Supplemental Indenture”), of record in Mortgage Book 2769, Page 453, in the office of the County Clerk of Jefferson County, Kentucky, which provides for the issuance and security of The City of Louisville Parking Authority of River City (PARC), Inc. First Mortgage Compound Interest Revenue Refunding and Improvement Bonds, Series 1989 (the “Series 1989 Bonds,” which Series 1989 Bonds have been refunded, defeased, paid and discharged in accordance with their terms); the Supplement Mortgage and Trust Indenture No. 2 dated as of August 1, 1991 (the “1991 Supplemental Indenture”), of record in Mortgage Book 03048, Page 631, in the office of the County Clerk of Jefferson County, Kentucky, which provides for the issuance and security of The City of Louisville Parking Authority of River City (PARC), Inc. First Mortgage Revenue Bonds, Series 1991 (the “Series 1991 Bonds,” which Series 1991 Bonds have been fully paid and discharged in accordance with their terms); the Supplemental Mortgage and Trust Indenture No. 3, dated as of August 1, 1994 (the “1994 Supplemental Indenture”), of record in Mortgage Book 4430, Page 666, in the office of the County Clerk of Jefferson County, Kentucky, which amends the 1991 Supplemental Indenture to add additional property to the defined Series 1991 Project; the Supplemental Mortgage and Trust Indenture No. 4 dated as of July 1, 1997 (the “1997 Supplemental Indenture”), of record in Mortgage Book 4430, Page 671, in the office of the County Clerk of Jefferson County, Kentucky, which provides for the issuance and security of The City of Louisville Parking Authority of River City (PARC), Inc. First Mortgage Revenue Refunding Bonds, Series 1997 (the “Series 1997 Bonds”); the Supplemental Mortgage and Trust Indenture No. 5, dated as of April 1, 2001 (the “2001 Supplemental Indenture”), of record in Mortgage Book 5972, Page 364, in the office of the County Clerk of Jefferson County, Kentucky, which provides for the issuance and security of The City of Louisville Parking Authority of River City (PARC), Inc. First Mortgage Revenue Refunding Bonds, Series 2001 (the “Series 2001 Bonds”); the Supplemental Mortgage and Trust Indenture No. 6, dated as of December 1, 2002 (the “2002 Supplemental Indenture”), of record in Mortgage Book 07280, Page 0142, in the office of the County Clerk of Jefferson County, Kentucky, which provides for the issuance and security of The City of Louisville Parking Authority of River City (PARC), Inc. First Mortgage Revenue Refunding Bonds, Series 2002 (the “Series 2002 Bonds”); and a Supplemental Mortgage and Trust Indenture No. 7 dated as of March 1, 2009, of record in Mortgage Book 11803, Page 672, in the office of the County Clerk of Jefferson County, Kentucky, which provides for the issuance and security of the City of Louisville Parking Authority of River City (PARC), Inc. First Mortgage Revenue Bonds, Series 2009A and the City of Louisville Parking Authority of River City (PARC), Inc. First Mortgage Revenue Refunding Bonds, Series 2009B (collectively, the Series 2009A Bonds and the Series 2009B Bonds, the “Series 2009 Bonds”) (the Series 1989 Bonds, the Series 1991 Bonds, the Series 1997 Bonds, the Series 2001 Bonds, the Series 2002 Bonds and the 2009 Bonds (defined below) are hereinafter referred to as the “Bonds”).

E. The City and PARC have heretofore entered into a Lease dated as of December 1, 1985 (the “1985 Lease”), of record in Deed Book 5551, Page 473, in the office of the County Clerk of Jefferson County, Kentucky, a Supplemental Lease No. 1, dated as of April 1, 1989 (the “1989 Supplemental Lease”), recorded in Deed Book 5863, Page 887, in the office of the County Clerk of Jefferson County, Kentucky, a Supplemental Lease No. 2, dated as of August 1, 1991 (the “1991 Supplemental Lease”), recorded in Deed Book 6094, Page 662, in the office of the County Clerk of Jefferson County, Kentucky, a Supplemental Lease No. 3, dated as of July 1,

1997 (the “1997 Supplemental Lease”), recorded in Deed Book 6926, Page 001, a Supplemental Lease No. 4, dated as of April 1, 2001 (the “2001 Supplemental Lease”), recorded in Deed Book 7649, Page 077, in the office of the County Clerk of Jefferson County, Kentucky, a Supplemental Lease No. 5, dated as of December 1, 2002 (the “2002 Supplemental Lease”), recorded in Deed Book 08030, Page 0666, in the office of the County Clerk of Jefferson County, Kentucky, and a Supplemental Lease No. 6, dated as of March 1, 2009, recorded in Deed Book 09477, Page 0396, in the office of the County Clerk of Jefferson County, Kentucky, to secure the payment of the outstanding Bonds and all bonds issued on a parity therewith pursuant to the Indenture.

F. On _____, the City enacted an ordinance, authorizing and directing PARC to issue “Parking Authority of River City Inc. First Mortgage Revenue Bonds, Series 2010A,” and “First Mortgage Revenue Bonds, Series 2010B (Federally Taxable - Build America Bonds – Direct Payment)” in the principal amount of not to exceed \$19,700,000, (the “2010 Bonds”), subject to adjustment at the time of the sale thereof, for the purpose of financing the acquisition and construction of parking garage facilities located in Louisville Metro and related expenditures pursuant to a Supplemental Mortgage and Trust Indenture No. 8 between PARC and the Trustee, dated as of _____, 2010 (the “2010 Supplemental Indenture”) (hereinafter, the 1985 Indenture, the 1989 Supplemental Indenture, the 1991 Supplemental Indenture, the 1994 Supplemental Indenture, the 1997 Supplemental Indenture, the 2001 Supplemental Indenture, the 2002 Supplemental Indenture, the 2009 Supplemental Indenture and the 2010 Supplemental Indenture shall be collectively referred to as the “Indenture”).

G. Louisville Metro desires to enter into this Supplemental Lease No. 7 (the “Supplemental Lease No. 7”) (hereinafter, the 1985 Lease, the 1989 Supplemental Lease, the 1991 Supplemental Lease, the 1997 Supplemental Lease, the 2001 Supplemental Lease, the 2002 Supplemental Lease, the 2009 Supplemental Lease No. 6 and the 2010 Supplemental Lease No. 7 shall be collectively referred to as the “Lease”), whereby Louisville Metro will lease the parking facilities constituting the Consolidated Project from PARC in consideration of rentals payable to PARC, which, together with the rentals payable under the Lease, will be sufficient to pay all bonds, notes and interest thereon issued pursuant to the Indenture.

NOW, THEREFORE, in consideration of the premises and the further consideration hereinafter provided, the parties hereto covenant and agree as follows:

Section 1. Definitions. All capitalized words and terms herein shall have the meanings set forth in the Indenture, unless the context clearly otherwise requires.

Section 2. Lease of Consolidated Project. PARC does hereby lease and rent to Louisville Metro, and Louisville Metro does hereby lease and rent from PARC, the land and improvements comprising the Consolidated Project, located on the real property more particularly described in Exhibit A hereto, for an initial term commencing as of the date hereof and expiring on June 30, 2010, and for successive annual renewal terms continuing automatically thereafter, unless Louisville Metro elects to terminate the Lease at the end of any then current annual term thereof by at least sixty (60) days’ prior written notice to PARC, commencing on July 1 of each year and ending on June 30 of the next succeeding year, with a final term commencing on July 1, 2039, and ending on December 1, 2039. Louisville Metro affirms that

the covenants and agreements of Louisville Metro in the Lease to pay rent sufficient to pay all principal, redemption price and interest on the Bonds, plus the costs of operation, maintenance and insurance on the Consolidated Project, which are incorporated in this Supplemental Lease No. 7, during each annual renewal period of the Lease constitute full faith and credit obligations of Louisville Metro during each annual Lease renewal period. PARC shall do nothing to interfere with Louisville Metro's quiet and exclusive possession of the Consolidated Project through the term of the Lease, provided there be no Event of Default.

Section 3. Lease Incorporated by Reference. The terms and conditions of the Lease are incorporated herein by reference, as if fully stated herein, and Louisville Metro hereby reaffirms all of its obligations contained therein, including the payment of rentals and the pledge of Net Revenues (as modified by the Supplemental Indenture of Trust No. 8 dated as of _____, 2010) to secure the payment and performance of Louisville Metro's obligations thereunder.

Section 4. Payment of Attorneys' Fees and Other Expenses. Upon an Event of Default by Louisville Metro, Louisville Metro shall pay to PARC or the Trustee, upon demand therefor, all costs and expenses, including reasonable attorneys' fees and disbursements, lawfully incurred by PARC or the Trustee in enforcing this Lease or in obtaining possession of the Consolidated Project.

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Lease No. 7 to be executed by their officers thereunto duly authorized as of the date first above written.

PARKING AUTHORITY OF RIVER
CITY INC.

(SEAL)

By _____
President

ATTEST:

Secretary

LOUISVILLE/JEFFERSON COUNTY
METRO GOVERNMENT

(SEAL)

By _____
JERRY E. ABRAMSON, Mayor

ATTEST:

JANE DRISKELL, Director
Office of Financial Management and Budget

APPROVED AS TO FORM AND LEGALITY
Michael J. O'Connell
Jefferson County Attorney

By: James T. Carey
Assistant County Attorney

[illegible]

The foregoing instrument was acknowledged before me on the ____ day of _____, 2010, by C. Bruce Traugher and Alan DeLisle, the President and Secretary, respectively, of the Parking Authority of River City Inc., a Kentucky nonprofit corporation, on behalf of said Corporation.

My Commission expires: _____.

(SEAL)

Notary Public, State at Large, KY

COMMONWEALTH OF KENTUCKY)
)SS:
COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me on the ____ day of _____, 2010, by Jerry E. Abramson and Jane Driskell, the Mayor and Director, Office of Financial Management and Budget, respectively, of the Louisville/Jefferson County Metro Government, on behalf of same.

My Commission expires: _____

(SEAL)

Notary Public, State at Large, KY

This instrument prepared by:

William L. Skees, Jr.
FROST BROWN TODD LLC
400 West Market Street, 32nd Floor
Louisville, KY 40202

EXHIBIT A

DESCRIPTION OF CONSOLIDATED PROJECT SITES

All those certain tracts of land with the improvements thereon and appurtenances thereto situated in the County of Jefferson, Commonwealth of Kentucky, described as follows:

EXHIBIT A

DESCRIPTION OF CONSOLIDATED PROJECT SITES